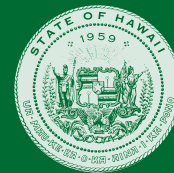


# Holomua

Active Members



Employees' Retirement System  
of the State of Hawaii



December 2007

## Our newsletter has a new look

### **Holomua means progress, or improvement.**

And in keeping with that, I'm pleased to tell you about the new look, and new logo, for ERS that represent our efforts to improve the way we communicate with you, our members.

This is the first newsletter that features the new design and new logo. Our brochures and stationery will also reflect this new look. Why the change? Having a single, cohesive look enables us to communicate with you more effectively. Now when you see a brochure, or receive a letter or newsletter from ERS, they will be instantly recognizable. Our newsletters contain a lot of important information and I hope you will agree that the new design presents the articles in a way that is more attractive and easier to read.

One other newsletter change is that we now have two versions: one for active members and one for retirees. This way we can tailor each issue to the concerns and needs of our working members and our retirees, respectively.

Our new logo tells the ERS story very well. The tree symbolizes growth. But this is not an ordinary tree. The center represents a person – you, our member. The leaves are the fruits of your labor, and the branches are your arms raised in the air, as you enjoy your retirement.

We are excited about the new look and logo for ERS. Together, they represent what ERS is all about – growth and progress.

Jackie Ferguson-Miyamoto, Chair  
Board of Trustees



**ERS Board of Trustees:**  
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**Assistant Administrator**  
Wesley K. Machida

## Inside this issue:

### New Retirement

Laws that  
May Affect  
You

Identity Theft  
On The  
Rise

It Keeps  
Getting  
Better...

# Two board of trustee positions filled

We would like to extend a warm welcome to Wayne J. Yamasaki, our newest board member, who will be replacing Odetta U. Fujimori.

Ms. Fujimori will be completing her 6-year term as a board member representing the retirees, and we thank her for her service. Because she travels quite a lot, she decided not to seek another 6-year term.

Mr. Yamasaki has more than 40 years of work and leadership experience as Director of the Department of Transportation and Deputy Director of the Departments of Transportation and Personnel

Services. As the former Deputy Executive Director of the HGEA, he testified at the State Legislature on important ERS legislation affecting retiree benefits and funding issues.

We are also pleased to announce that board member Jackie Ferguson-Miyamoto will continue to serve on the board.

Mr. Yamasaki and Ms. Ferguson-Miyamoto were both unopposed. Their 6-year terms are effective January 2, 2008.

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## 2007 new retirement laws that may affect you

The following measures that affect active members, retirees, and beneficiaries of the ERS were passed by the 2007 Hawaii State Legislature and signed by the Governor. More information on each Act is available online at [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov). Select **Archives**; click on **2007 Regular Session**; go to the box titled **2007 Legislative Session Bills Introduced, Passed, and Vetoed**; click on **List of Acts** (by Act number); then select Act number.

### **Act 215 – Retirement Plan Changes**

- Requires beneficiaries to claim death/survivor benefits within three years of a member's death.
- Amends the valuation date to determine the employee's cost for the hybrid conversion from June 30, 2006 to the last day of the month six months prior to the date the Board publishes notice that the conversion of service will be allowed.
- Allows Hybrid Plan members to retire at any time once their ordinary disability applications have been approved by the Board.
- Includes other housekeeping amendments to clarify and conform existing statutes to current practice.

### **Act 260 – Hawaii Venture Capital Investments**

- Requires the ERS to submit annual reports to the Legislature on its Hawaii venture capital investments.

### **Act 256 – ERS' Unfunded Liability**

- To reduce the ERS' \$5.1 billion unfunded liability:
- Employer contributions beginning July 1, 2008 will increase from 13.75% to 15% of payroll for general employees and from 15.75% to 19.7% of payroll for police officers and firefighters.
  - Benefit enhancements will be banned for three years, from January 2, 2008 until January 2, 2011.

### **Act 192 – Sudan Divestment**

- Prohibits the ERS from investing in certain scrutinized companies that do business in Sudan.

### **Act 2 – Legislative Session Employees**

- Exempts legislative session employees hired after October 31, 2006 from mandatory enrollment in the ERS.



# "They told me they were from the ERS. So I gave them the information they asked for."

**Don't be so fast in providing information. Two members share their stories of ID theft. These are just two unfortunate stories. (Real names have not been used.)**

## **Ruth's Story**

Ruth was planning to retire. She received a call on her cell phone from a woman who said she was an ERS employee. She informed Ruth that additional information was needed to process her retirement application: her savings account number, birth certificates and social security numbers for herself and her beneficiary. Ruth didn't think that was unusual. At the request of the woman, arrangements were made to pick up the information at Ruth's relative's house on Oahu during one of Ruth's visits from the neighbor island where she lives. Instead of the woman, a man who said he was an ERS employee showed up to collect the information. He also took a picture of Ruth, explaining that it was for the ERS records.

## **John's Story**

John, a retiree who lives on Oahu, received a call from a man who said he was from the ERS. The man said he needed John's savings account number and his beneficiary's social security numbers as well as copies of their birth certificates in order to process John's retirement benefits. A woman who said she was an ERS employee came to John's home to pick up the information and documents. In both cases, the individuals claiming to be ERS

employees were not. Both Ruth and John were targets of ID theft.

ERS contacted the Attorney General's office for advice to ensure that appropriate steps were taken. Both members were told to report this incident to the police.

## **Some important things to remember**

ERS representatives will NOT

- Go to members' or retirees' homes or other residences to obtain personal information.
- Request your personal information through e-mail.

If you are unsure of or feel uncomfortable about any request for information from the ERS or think any of your personal information has been compromised, contact David Shimabukuro, the ERS Administrator, or Wesley Machida, Assistant Administrator, immediately at 586-1700.

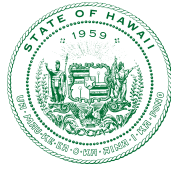
There are a number of online resources with valuable information about how ID theft occurs, how to protect yourself and how to report it. One such web site is the Federal Trade Commission web site at [www.ftc.gov](http://www.ftc.gov).

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## It keeps getting better . . .

Each year, the ERS board and staff work with the legislature to improve the retirement program. As a result, many changes have been made for the benefit of State and County employees. Here are some of the ones that you may have missed:

- Inactive vested Contributory Plan members may withdraw their contributions at any time.
- Inactive non-vested Contributory Plan members whose accumulated contributions exceed \$1,000 may leave their contributions in the ERS until they reach the age of 62.
- Contributory and Noncontributory Plan members may retire at any time once their applications for ordinary disability retirement have been approved by the Board.
- Members who are on active military duty are considered "in-service" and eligible for ordinary death benefits.
- The Department of Education and Charter Schools may rehire retired teachers and administrators in shortage areas after one year in retirement while allowing them to continue to receive their retirement and retiree health benefits without penalty.



**Employees' Retirement System**  
of the State of Hawaii

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# Holomua

Active Members

*December 2007*

## How to Contact Us

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**Molokai & Lanai**, toll free to Oahu: 1-800-468-4644, ext 61735

**Continental U.S.** toll free to Oahu: 1-888-659-0708